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ABSTRACT

A study collected and examined information on the nature and extent of business and postsecondary occupational program linkages. Findings from a survey of 661 employers indicated the following: (1) three-fourths had some involvement with postsecondary institutions; (2) modes of involvement identified most often were employee recruitment, advisory committees, cooperative education/internships, and training attended by current employees; (3) incentives for employers were source for recruitment, provision of expertise for better trained employees, and improved productivity of current employees; (4) barriers were inflexibility of postsecondary institutions, perceived disinterest in employer advice, and time constraints; and (5) the most effective strategy to promote involvement was personal contacts. Findings from telephone interviews with 76 administrators indicated that they perceived "image" as a major barrier to employer involvement. The most successful strategies for involving business were representation on institutional boards or program advisory committees and personal contacts. A role for governmental action was accepted, but administrators and employers preferred indirect assistance or unrestricted resources as opposed to direct mandates. Recommendations for institutions were planning for coordination activities, coordination at the instructor level, and follow-up with employers. Recommendations for employers were to encourage employee involvement with postsecondary institutions and to follow through on commitments and contributions. (YLB)

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PRIVATE SECTOR PARTICIPATION WITH POSTSECONDARY OCCUPATIONAL EDUCATION PROGRAMS

Study Summary and Policy Recommendations

U.S. DEPARTMENT OF EDUCATION

CENTER ON EDUCATION
AND TRAINING FOR EMPLOYMENT
THE OHIO STATE UNIVERSITY

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The Center fulfills its mission by conducting applied research, evaluation, and policy analyses and providing leadership development, technical assistance, curriculum development, and information services pertaining to:

- impact of changing technology in the workplace and on the delivery of education and training
- quality and outcomes of education and training for employment
- quality and nature of partnerships with education, business, industry, and labor
- opportunity for disadvantaged and special populations to succeed in education, training, and work environments
- short- and long-range planning for education and training agencies
- approaches to enhancing economic development and job creation

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Study Summary and
Policy Recommendations

by

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Prepared for the

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The contractor gratefully acknowledges the National Commission for Employment Policy for support of this project and Mr. David Stier and Ms. Elaine Brady, who served as project officers, for their guidance and support. This study would not have been possible without the cooperation and assistance of the 76 postsecondary administrators and over 650 employers who so graciously responded to our telephone interviews. We greatly appreciate the time and the insights that these busy men and women contributed to the study.

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PRIVATE SECTOR PARTICIPATION WITH POSTSECONDARY OCCUPATIONAL EDUCATION PROGRAMS

Private sector involvement with postsecondary occupational education programs is considered to be a critical element of the process that prepares workers for employment. Such involvement serves two fundamental goals. First, it helps to ensure that future employees are well prepared in acquired skills and knowledge of relevant equipment so that they will be productive in the work place. Second, it allows employers to be involved in economic development and enhancement of the business climate of their communities by shaping and improving local educational resources. The promotion of a stronger relationship between business and vocational education is one of the emphases of the Carl D. Perkins Act of 1984. Section 2 of the Act calls for:

> "greater cooperation between public agencies and the private sector in preparing individuals for employment, in promoting the quality of vocational education in the states, and in making the vocational system more responsive to the labor market in the states." (Section 2(3)).

Data and Methods

A study was undertaken by the Center on Education and Training for Employment at The Ohio State University to collect and examine information on the nature and extent of business and postsecondary occupational program linkages. The study provides analyses of data that were collected from administrators of educational institutions and from employers. Data from the postsecondary occupational education perspective was gathered by telephone interviews with 76 administrators of such institutions. Half of these institutions had been determined in a prior study to have very high levels of private sector participation and half had been determined to have very low levels.

The business perspective was gathered through a survey of 661 employers. Half of the employers were nominated to participate in the study by administrators on the basis of current involvement with the institutions and half were selected randomly. Of the total number of employers, 62 percent were from small businesses.

The design of the study, therefore, allowed a comparison of data from administrators and employers. It also allowed a comparison of institutions with high levels of private sector involvement and low levels of such involvement. Finally, the design provided data from a selected group of employers who had considerable involvement with education (the nominated group of employers) and from a group of employers who represented the general business community (the random sample).

Findings

The primary findings from the study are summarized in the following sections. First, the employers' perspectives concerning incentives for and barriers to participation are discussed. Next, the administrators' perspectives are presented. Finally, opinions from both parties concerning the role of government are summarized.

Business Perspective

Two major focuses of the employer interview were a description of the level and nature of their involvement in postsecondary occupational education in their community and to document the incentives and disincentives for employer participation. The major findings from the employer data are as follows:

- Employer level of involvement was categorized as (1) active--continuous involvement over the last 4-5 years, such as regular attendance at advisory committee meetings, ongoing customized or contract training activity, cooperative education site, part-time faculty, or some combination of these--(2) limited active--intermittent involvement and/or involvement in only one activity--(3) minimal--few contacts with postsecondary institutions, such as hired 1-2 graduates or offered tuition reimbursement to current employees--(4) no contact--no current involvement or only minimal past involvement.

- Slightly more than a third of all employers were categorized as actively involved with postsecondary occupational education; about one quarter were involved on a limited active basis; about one quarter were involved minimally; and the remainder of the employers, 14 percent, had no contact.

- By the design of the study, the nominated employers would have more contact with education. The random sample of employers better represents the business community as a whole. Among the random sample, 17 percent of the employers were actively involved; 22 percent were limited active; 36 percent were minimally active; and 25 percent had no contact. From these statistics, it may be concluded that three-quarters of all businesses have some level of involvement with postsecondary institutions and one in six businesses participates actively.

- Over a dozen general modes of employer involvement were identified--institutional advisory committee, program advisory committee, part-time instruction, guest lectures, equipment/cash donations, participation at job fairs/

career days, employee recruitment, upgrade training (e.g. tuition reimbursement), customized/contract training, technical assistance in management/product lines, vending products/services, cooperative education, and faculty "return to industry" programs.

- The modes of involvement that were identified most often were, in order of frequency,--

  --recruitment of employees (mentioned by 49.3 percent of employers)
  --advisory committees (36.8 percent)
  --coops/internships (23.2 percent)
  --attendance of training by current employees (20.1 percent)
  --customized/contract training (14.1 percent)
  --donations (13.2 percent)
  --part-time teaching (12.6%)

- The average number of modes of involvement for the entire sample of employers was about 2.0. Large businesses were involved in more types of activities (average of 2.6) than were small businesses (average of 1.6).

- The motivating incentives for employers who were involved were, in order of frequency,--

  --to identify a source of students for recruitment purposes (mentioned by 31.2 percent of employers)
  --to provide expertise in the education and training process (so that potential future employees will be better trained) (21.3 percent)
  --to improve the productivity of current employees (19.1 percent)
  --to contribute to the community or to pursue a personal interest (15.9 percent)
  --to obtain technical assistance (3.9 percent)
  --to sell a product/service (3.5 percent)

- The most frequently mentioned barriers to employer collaboration and participation were, in order of frequency,

  --inflexibility/bureaucracy of postsecondary institutions (mentioned by 34.0 percent of employers)
  --perceived disinterest or ignoring of employer advice (22.4 percent)
  --time constraints (12.1 percent)
  --other features, such as loss of business or security concerns (3.6 percent)

- Employers reported that the most effective strategies to promote or enhance involvement among the employer community were--

--personal contacts (e.g. "just ask") (38.9 percent)
--send information (e.g. program descriptions) (18.3 percent)
--involvement in substantive tasks, such as advisory or search committees (15.1 percent)
--coop/internship programs (9.2 percent)

- Less than 3 percent of all employers in the study indicated that they were negative about working with postsecondary institutions, and that becoming involved with them in the future under any circumstances would be unlikely.

Education Perspective

The administrator interviews provided the educational institutions' views as to the barriers and effective strategies for enhancing private sector involvement. The major findings from these administrator data are as follows:

- A total of 33 percent of the administrators felt that a major barrier to employer involvement was one of "image;" administrators believed that education was seen by employers as having an "ivory tower" image or a "vocational education stigma," for example.

- If problems related to the abstract concept of "image" were to disappear, however, 25 percent of the administrators still believed that the concrete problem of inadequate resources to cover the costs of reciprocity and commitment would be a major barrier. Specifically, administrators identified the staff time required to make and maintain personal and professional contacts. Second, they pointed to the time, money, and even equipment, that are required for carefully planned and effectively executed meetings, informational materials, and specialized training curricula.

- Administrators felt that several types of external factors were detrimental to the development of successful business and education relationships. Bureaucratic rigidity within their own institutions or at the business establishment, employer attempts to narrow curricula to their own specific need, and contradictory requests from employers and organized labor were commonly mentioned problems challenging postsecondary institutional administrators.

- The four most often mentioned successful strategies for involving business were--

--involve employers on institutional boards or program advisory committees (mentioned by 38 percent of the administrators)
--personal contacts with employers to determine their needs and explain institution's capability (25 percent)
--participate in local organizations such as the Chamber of Commerce or PIC (17 percent)
--maintain continuing contacts (13 percent)

- Administrators from postsecondary institutions that ranked high in private sector involvement differed from administrators of institutions that ranked low in their responses to the question of effective strategies for involving business. Those ranked high reported that the most important aspects of dealing with the business community were the substance and continuity of the contacts. Such administrators recommended being completely honest with employers about what can or cannot be provided (and why) and stressing the benefits that can be derived by business from involvement with the institution. Those ranked low emphasized marketing the capabilities of the institution to a wide audience and never saying no.

The Role of Government

Both the administrators and employers were asked to assess the roles that the federal or state governments should play and have played in promoting the interaction of the business community and postsecondary institutions. The major findings from this assessment were as follows:

- There was little evidence that the federal government has had direct impact on fostering private sector involvement.

- Administrators from the postsecondary institutions were much more likely than employers to state that the government should or has played a role in linking education and industry. Almost 80 percent of the administrators believed that government should be involved in some way, whereas less than 60 percent of employers held that view.

- Administrators from institutions that had a high level at employer participation were more likely to identify vocational education funds or regulations as a force bringing business and education together than their counterparts from institutions that had low levels for employer involvement. The latter were more likely to point to JTPA. Employers were more likely to identify JTPA (or CETA), on the other hand, than vocational education or other Education Department programs.

- For both employers and institutions, the best predictor of attitudes favoring government involvement to foster education-industry linkages was the extent of current involvement in such linkages. Therefore, government incentives or process regulations would most likely benefit collaborative arrangements that were already established.

Policy Recommendations

The data collected for this study revealed numerous joint activities and documented both administrators' and employers' reasons for engaging in these activities. The study clearly demonstrated that private sector involvement was benefiting both parties. To recommend particular policy options, however, the question of the extent to which government should get involved needs to be addressed. Economic theory would suggest a role only if there were (positive or negative) externalities associated with the joint activity. If employers and postsecondary institutions were the only parties that benefit from their interaction, then there is no reason for governmental intervention. However, if third parties were benefited (or harmed), there may be a role for government. It seems clear that the latter is the case. Enhancing the quality of training at an institution results in more productive students entering the work force, results in greater economic vitality of localities, and results in the programs of other institutions being affected.

Accepting the premise that there is a role for governmental action, the range of alternatives for that role is wide. The possibilities include the following:

- The government could mandate processes to ensure private sector involvement. Private sector membership on the National and State Councils on Vocational Education and state technical committees as specified in the Perkins Act represent such a mandate. However, the government could go further in mandating process requirements such as requiring private sector-led local councils for vocational education institutions (following the PIC model from JTPA).

- Incentives for the promotion of private sector involvement could be instituted instead of mandates. For example, a portion of the states' allocations of federal support could be used to reward institutions that establish and maintain effective joint activities. Corporations or individuals could be given tax advantages for their time and efforts.

- The government could encourage coordination through the provision of information or technical assistance. Exemplary linkage activities could be publicized. Evaluations

or other studies of effectiveness could be sponsored and disseminated. An information clearinghouse could be established.

- Restricted grants or demonstration funds could be made available to institutions to promote coordination. One approach might be to award grants to institutions that are interested in initiating or improving their coordination mechanisms to overcome specific resource constraints.

- The government could decide to do nothing. Policy makers could decide that an unrestricted market approach will result in the most appropriate levels and types of interaction.

Considering these various alternatives in light of the data collected for this study, the following three recommendations are made:

Recommendation 1. Reauthorization of the Perkins Act should include a provision for grants to promote business-education coordination.

The lack of compelling evidence concerning the benefits from federal involvement in promoting business participation with postsecondary occupational education programs and the significant level of opposition to federal involvement from employers suggest that process mandates would not be advisable. However, administrators did provide examples of situations where joint activities were constrained by inadequate resources. Grants of modest size and scope could be made available to overcome such resource barriers. Since a basis for governmental funding is the potential economic development of the locality or state, a matching requirement out of economic development funds could be considered.

A model for such an approach can be found in cooperative education legislation and regulations, Title VIII of the Higher Education Amendments of 1986. That title provides modest funding for ongoing programs and demonstration projects to promote innovation. In fact, since cooperative education is a prime example of postsecondary institution-private sector interaction, consideration should be given to coordinating or combining this title with the vocational education legislation.

Recommendation 2. Evaluate the effectiveness of private sector involvement on state councils and state technical committees in fostering private sector involvement at the postsecondary level.

That only one or two respondents in the entire study mentioned that the state council or a technical committee has influenced private sector involvement suggests that (1) private sector membership has not been an effective means for fostering coordination or (2) private sector membership has not been effective at

the postsecondary level (although it may be effective for secondary programs). Policy makers need to know whether either of these conclusions holds. If it is the case that private sector involvement on state councils or state technical committees is ineffective, then it may be advisable to move toward a Job Training Partnership Act (JTPA) model where the partnership is at the local level and where the private sector has a majority membership. If the private sector involvement is effective only at the secondary level, then it may be advisable to intervene and regulate postsecondary membership.

Recommendation 3. Support technical assistance efforts or information dissemination in the area of private sector involvement with postsecondary institutions.

The rationale for this more limited role for the federal government is that states and localities do not, in general, have the resources or the interest in disseminating information beyond their borders. But almost 60 percent of the employers want additional information about enhancing their participation in postsecondary education. Furthermore, institutions vary widely in the level of success that they have had in promoting private sector involvement. Obviously, some institutions are succeeding. Information about exemplary or innovative practices should be made available to all institutions.

Recommendations for Institutions and Employers

Although a primary purpose of the study was to inform federal policy makers, many of the findings are useful to postsecondary institutions and employers as well. Accordingly, recommendations have been developed for these two groups.

Postsecondary Institutions

- **Institutions should develop a plan for enhancing their coordination activities with employers and should expand their employer contacts. The plan should be as precise as possible and should address the (economic) benefits to employers. Institutional representatives should be prepared to visit plants and establishments.**

Over 58 percent of the employers surveyed were interested in additional information on involvement with postsecondary institutions. The largest response category from employers on effective strategies to enlist private sector participation was to "Just ask." On the other hand, employers want their involvement to be meaningful. Institutions need first to determine carefully their own capabilities, define the needs of and potential expertise of businesses in their area, and then implement specific strategies.

It is important to be prepared to present and discuss the economic benefits of interaction to employers because their perspective is usually more immediate and of an economic nature. Furthermore, institutions need to overcome their image problem by being proactive and going to the employer rather than expecting employers to come to the institutions.

- **The substance of the information exchange or other means of interaction is what is important, and so coordination should take place at the instructor/supervisor level. Instructors should be given time and resources, where appropriate, and incentives should be put into place.**

The medium is not the message. Employers consistently indicate that they are not interested in fancy lunches or slide shows. They feel that they have legitimate needs for which they want assistance, and hard-earned expertise to provide to the postsecondary institutions. The sooner the level of interaction can be shifted away from top administrators and corporate management to instructors and supervisors, the better. Postsecondary institutions should keep the corporate management apprised of ongoing activities, and make sure that management recognizes the efforts of individual employees.

Institutions need to recognize that the process of developing successful partnerships is "painfully slow," as one administrator put it, and requires time from instructors who are already heavily committed. These institutions should consider implementing incentive structures, such as including employer contacts in salary/evaluation criteria, and should encourage/facilitate release time or sabbaticals designed to improve business linkages.

- **Postsecondary institutions need to follow-up and follow-through with employers. All recommendations or suggestions should be acknowledged and student placements should be followed-up.**

It became clear from interviewing employers that many institutions had "turned off" a number of employers from involvement. These employers felt that their suggestions were ignored or that students were poorly trained because of the academic isolation of the institutions. Obviously, not every recommendation that an employer makes can be adopted, but institutional staff can be expected to acknowledge all recommendations and explain why they cannot be adopted, if that is the case. Furthermore, institutions need to be aware that every time a student lists their educational affiliation on a resume or application, it is an advertisement for the institution. The networking among employers effectively spreads information of either a positive or negative nature. As a consequence, instructors should systematically follow-up with employers on recent graduates.

Employers indicate that their need to or interest in interactions with postsecondary institutions are usually of a sporadic, as-needed nature. The institutions then need to maintain an ongoing, structured relationship with employers, so that when the employers do want to enlist help, they will have a contact. A number of employers noted that meetings with education institutions had been scheduled sporadically, on an as-needed (as determined by the educators) basis. In these cases, employers did not turn to the institutions for assistance.

Employers

- **In agreeing to become involved with postsecondary institutions, employers must fully realize that institutional perspectives are different from their own, and that institutions have diverse constituencies to appease.**

Both the postsecondary institutions and employers must realize that each is responsible for the achievements gained by private sector involvement, and each is responsible for the problems that might have arisen. Poorly defined common bases for involvement is one of the most frequently cited problems between the public and private sector. Simply stated, the parties to the joint activities have not identified clearly their expectations and constraints nor have they communicated them well.

Several respondents noted that it takes time to develop successful partnerships in order to build trust and openness. Furthermore, respondents indicated that constant, honest communication needs to be developed. Employers thus cannot expect immediate payoffs and immediate changes. Rather, the private sector partners should think of involvement with the PIs as an investment that will have a payoff in the future in terms of more productive employees, less expensive training, or valuable technical assistance.

- **Employers need to encourage their employees to become involved with PIs and to facilitate that involvement.**

In some sense, involvement of the private sector with postsecondary institutions involves some risk and it definitely involves time and financial costs. Without the clear encouragement of upper management, some employees may be hesitant to pursue joint activities. A recent policy statement by the Committee for Economic Development, in fact, indicates that it is the responsibility of business to get involved and to accommodate that involvement in its personnel policies such as personal leave.

- **Employers need to follow-through on their commitments and contributions to institutions.**

In some cases, the administrators of the educational institutions indicated that employer partners promised enrollments of certain levels, and didn't deliver. In other cases, attendance of meetings was poor and supervision of students in experiential work sites was not adequate. In this study, all of the institutions were public or nonprofit institutions and thus were not capable of recovering costs when losses occurred.

But beyond immediate inefficiencies that result when commitments cannot be honored, employers need to follow-up with institutions on workers that they have hired. Feedback to instructors or administrators of either a positive or negative nature can impact programs in a way that helps employers in terms of future employee productivity.

Summary

In considering a course of action, policy makers should be aware that the motivating forces and time perspectives of educational agencies and employers differ significantly. Employers are motivated by economic factors such as profit and loss and tend to have short time frames. If they are to become involved in postsecondary education, they want to know how it will benefit them (or their firm) economically, and they want payoff periods to be as short as possible. The educational institutions, on the other hand, have much longer time frames and are motivated by the teaching and learning process. They are, for the most part, student-motivated. Administrators work in an environment where it may take many months or years to adjust curricula or instructional methods. The diverse perspectives of business and education need to be recognized and accommodated by policy makers.

This study provided evidence of considerable private sector interaction with postsecondary institutions. The findings suggest that additional or improved collaborative efforts would benefit both parties and society as a whole. Both the educational institutions and employers have critical roles to play to enhance private sector involvement. Governmental policy makers can also contribute in a positive fashion, although administrators and employers prefer indirect assistance or unrestricted resources as opposed to direct mandates.

A full report of this study, entitled "Private Sector Involvement with Postsecondary Institutions," is available from the Center on Education and Training for Employment at The Ohio State University. This report more fully documents the methods used and findings from the study.

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